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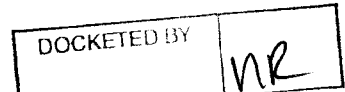
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Arizona Corporation Commission
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FEB 12 2007

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
GARY PIERCE

AZ CORP COMMISSION
DOCUMENT CONTROL



IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY FOR AN
EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY AT CASA
GRANDE, PINAL COUNTY, ARIZONA.

DOCKET NO. W-01445A-05-0469

PROCEDURAL ORDER

BY THE COMMISSION:

On March 23, 2006, the Arizona Corporation Commission ("Commission") issued Decision No. 68607 which granted Arizona Water Company ("AWC") an extension of its Certificate of Convenience and Necessity ("Certificate") to various portions of Pinal County, Arizona, subject to certain conditions. Decision No. 68607 also granted an Order Preliminary for parcel 8 as set forth in Exhibit A to the Decision, which is within the municipal boundary of the City of Eloy ("Eloy"), subject to AWC obtaining a franchise or other consent to operate within Eloy, within one year of Decision No. 68607.

On November 28, 2006, AWC filed a Request for Additional Time to Comply with Filing Requirement ("Request"). According to the Request, AWC has applied for and made repeated efforts to obtain a right of way permit to install a water line and has submitted to Eloy's Public Works Director a proposed form of city franchise for the City's consideration and approval. According to the Request, AWC was recently informed that the City Council has "decided not to consider the Company's application for a City franchise." AWC stated that it would renew its efforts to obtain a City right of way for the area. The Request stated that "it is clear that the Company's efforts to comply with the Decision are being frustrated by the City of Eloy's shifting and conflicting directives. The Company submits that these actions also hinder, and are contrary to the intent of the Commission concerning the Company's extension of its Certificate of Convenience and Necessity, as provided by the Decision." AWC requests that it be given an additional period of not less than one year beyond March 23, 2007 to obtain a franchise or other consent or permission from Eloy.

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2 On December 5, 2006, the Commission's Utilities Division Staff ("Staff") filed its Staff
3 Report which recommended that AWC not be granted an additional period of time beyond March 23,
4 2007 to comply with Decision No. 68607. Staff stated that at the hearing that resulted in Decision
5 No. 68607, Eloy objected to the extension of the CC&N to parcel 8, and that the Decision itself
6 reflected that opposition. According to the Staff Report, on November 1, 2006, Staff obtained a copy
7 of the "Extract of Minutes of the Honorable Mayor and City Council" of Eloy's October 23, 2006
8 city council session where the City of Eloy voted unanimously to disapprove a proposed franchise
9 agreement between AWC and Eloy. Staff believes that the one year time frame to obtain a franchise
10 or other consent contained in Decision No. 68607 continues to be reasonable, and points out that
11 AWC can continue its efforts to again pursue a right of way from Eloy.

12 It was clear from the record at hearing that AWC might not be able to obtain a franchise or
13 other consent from the City of Eloy to provide water utility service within the city boundaries.
14 Decision No. 68607 reflected that uncertainty, and allowed AWC the opportunity to comply with
15 A.R.S. Section 40-282(B) which requires applicants for CC&Ns to show that they have received the
16 required consent, franchise or permit. AWC has not shown that the one year timeframe for obtaining
17 that consent, franchise or permit was unreasonable, and accordingly, its Motion should be denied.

18 IT IS THEREFORE ORDERED that Arizona Water Company's Request for Additional Time
19 to Comply with Filing Requirement is hereby denied.

20 DATED this 12 day of February, 2007.

21
22
23 
24 LYN FARMER
CHIEF ADMINISTRATIVE LAW JUDGE

25 Copies of the foregoing mailed/delivered
26 This 12 day of February, 2007 to:

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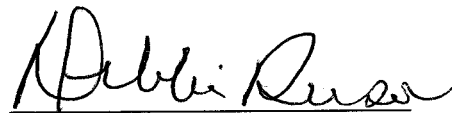
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